ESTTA Tracking number: **ESTTA275127**

Filing date: **03/30/2009**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91188704
Party	Plaintiff iLike, inc.
Correspondence Address	Rochelle D. Alpert Morgan, Lewis & Bockius LLP One Market, Spear Street Tower San Francisco, CA 94105 UNITED STATES ralpert@morganlewis.com, lwilbur@morganlewis.com, gdoughtie@morganlewis.com
Submission	Other Motions/Papers
Filer's Name	Leigha E. Wilbur
Filer's e-mail	lwilbur@morganlewis.com, ylolua@morganlewis.com, mike.lewis@morganlewis.com, ralpert@morganlewis.com
Signature	/Leigha E. Wilbur/
Date	03/30/2009
Attachments	Motion for Judgment on the Pleadings or Motion to Strike and Motion to Suspend 03-30-09.pdf (10 pages)(422566 bytes)

TRADEMARK
Docket No. 061442.9900

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD

In the matter of application Serial No. 77/465,234
Filed May 4, 2008
For the mark **GARAGE BRAND**
Published in the OFFICIAL GAZETTE on October 7, 2008

iLike, Inc., Opposer, v. DHC Assets Limited Partnership, Applicant.	Opposition No. 91188704

MOTION FOR JUDGMENT ON THE PLEADINGS OR IN THE ALTERNATIVE MOTION TO STRIKE, AND MOTION TO SUSPEND

Pursuant to Rules 12(c) and 12(f) of the Federal Rules of Civil Procedure and Sections 311, 504 and 506 of the TBMP, iLike, Inc. ("Opposer") moves for judgment on the pleadings or, alternatively, striking certain of the affirmative defenses pleaded in the Answer of Applicant, DHC Assets Limited Partnership ("Applicant"). Because the resolution of this motion will define and potentially narrow the issues for the opposition proceeding pursuant to Section 510.03(a) of the TBMP and 37 C.F.R §2.117(c), Opposer further requests that the Board suspend these proceedings pending the ruling on this motion.

FACTUAL BACKGROUND

On February 4, 2009, Opposer timely filed its Notice of Opposition against Applicant's pending application to register the designation GARAGE BRAND as a mark for certain publishing services, including publishing services encompassing music, all in class 41. Opposer based its opposition on likelihood of confusion between the applied-for intent to use GARAGE BRAND application and Opposer's registrations and common law use rights in the marks GARAGEBAND and GARAGEBAND.COM for a range of services related to music, including publication of music services. In its opposition, Opposer relied on its common law rights in the name and marks GARAGEBAND and GARAGEBAND.COM, its pending use application for the mark GARAGEBAND covering class 41 services, among other services, and its incontestable federal registration.

Applicant filed its Answer to the Notice of Opposition on March 14, 2009. As part of its Answer, Applicant asserts in conclusory fashion a list of purported affirmative defenses, including failure to state a claim (¶ 13); laches (¶1); acquiescence (¶3); estoppel (¶¶2 and 4); unclean hands (¶¶8 and 9); waiver (¶14), fraud (¶¶ 10 and 12) and various other unsupported and unsupportable alleged defenses (¶¶ 6 and 7). By way of example of its vague and unsupportable allegations, Applicant includes as a defense a statement that the mark THE GARAGE BAND NETWORK is a registered mark precluding Opposer's claims, when Applicant provides no identifying information which substantiates such an allegation (¶ 7). More revealingly, Applicant effectively seems to list each of these so-called affirmative defenses without facts or explanation as if going through a checklist.

ARGUMENT

Each of these affirmative defenses Applicant asserts can not withstand legal scrutiny. Under these circumstances, a motion for judgment on the pleadings or, in the alternative, to strike the allegations should be granted. *See, e.g., CBS Inc. c. Mercandante,* 23 U.S.P.Q.2d 1784 (T.T.A.B. 1992); FRCP 12(f); TBMP §506.01. Through this motion, the issues for discovery and trial will be properly narrowed for a more efficient and expeditious proceeding.

A. None of the Referenced Affirmative Defenses States a Cognizable Defense as a Matter of Law

1. Applicant's Affirmative Defense of Failure to State a Claim Fails on Its Face

Appearing as part of its checklist of affirmative defenses, Applicant asserts that Applicant is not entitled to relief because it "fails to state a claim upon which the relief sought may be granted." (¶ 13). The Board, however, has stated on multiple occasions that such an affirmative defense does not lie, so long as Opposer has asserted its standing. An opposer need only demonstrate that it alleged facts that, if proven, would establish that (1) opposer has standing to maintain the proceeding, and (2) a valid ground exists for denying the registration to overcome an allegation of failure to state a claim for relief. *Order of Sons of Italy in Am. v. Profumi Fratelli Nostra AG*, 36 U.S.P.Q.2d 1221, 1222 (T.T.A.B. 1995); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 1026 (C.C.P.A. 1982).

If an applicant asserts the defense of failure to state a claim upon which relief can be granted, it is well-accepted that an opposer may test the sufficiency of the defense in advance of trial by moving for judgment on the pleadings or to strike the alleged defense. *See S.C. Johnson & Son Inc. v. GAF Corporation,* 177 U.S.P.Q. 720 (T.T.A.B. 1973). For purposes of ruling on a defense of failure to state a claim for relief, all of the opposer's well pleaded allegations must be accepted as true, and the opposition must be construed in the light most favorable to the opposer.

Order of Sons of Italy in Am., 36 U.S.P.Q.2d at 1222. Applying this standard to the allegations of the Notice of Opposition, this affirmative defense simply fails as a matter of law. *Id.*

In order to allege standing, an opposer must only allege facts showing a real interest in the outcome beyond that of the general public and a reasonable belief the registration will cause it damage. *See* TBMP §309.03; *Estate of Biro v. Bic Corp.*, 18 U.S.P.Q.2d 1382, 1385 (T.T.A.B. 1991). The inquiry into whether an opposer has standing is directed solely to establishing the opposer's interest in a proceeding. *Lipton Industries, Inc.*, 670 F.2d at 1027-28. In the instant case, Opposer alleged its standing to oppose the GARAGE BRAND mark by asserting that it has long offered services relating to music and music creation, sharing, rating, distributing, promotion and posting online under its GARAGEBAND and GARAGEBAND.COM marks. Opp. ¶ 1. It bases its claims on its rights in its marks, GARAGEBAND and GARAGEBAND.COM, whether based on its common law rights or its rights that flow from its registration and use application. *Id.* Opposer further alleges in its opposition that it owns and uses the domain name garageband.com for its services. *Id.* at ¶¶ 2-4. Finally, Opposer alleges that it has developed substantial goodwill in its GARAGEBAND and GARAGEBAND.COM marks, which have become identified exclusively with Opposer and its music related services. *Id.* at ¶¶ 5-7.

If proven, any one of these facts sufficiently establishes Opposer's interest in the proceeding is beyond that of the general public and that Opposer reasonably believes it will be damaged by the proposed registration. Accordingly, Opposer has more than established its standing to assert its claims. Based on well-established case law, Applicant's affirmative defense of failure to state a claim simply fails as a matter of law. *See, e.g., S.C. Johnson & Son,*

177 U.S.P.Q. 720 (affirmative defense of failure to state a claim stricken where opposition did state such a claim).

2. Opposer Timely Opposed the Application, Rendering the Affirmative Defenses of Laches and Acquiescence Improper as a Matter of Law

A *prima facie* case of laches or acquiescence requires a showing of unreasonable delay in asserting rights against another and material prejudice as a result of the delay. *See Lincoln Logs Ltd. v. Lincoln Pre-cut Log Homes, Inc.*, 971 F.2d 732, 734 (Fed. Cir. 1992); *Nat'l Cable Television Ass'n, Inc. v. Am. Cinema Editors, Inc.*, 937 F.2d 1572, 1580 (Fed. Cir. 1991). It is well-accepted that in an opposition proceeding, the required unreasonable delay only begins to run from the time the application is published for opposition. *See Nat'l Cable Television Ass'n*, 937 F.2d at 1581; TBMP §311.02(b). This is particularly true where, as here, the application opposed is an intent-to-use application.

Opposer timely and properly filed an extension of time to oppose and subsequently timely filed its Notice of Opposition to Applicant's intent-to-use application for the GARAGE BRAND designation. The record is incontrovertible that Opposer did not in any way unduly delay filing its Notice of Opposition. *See Lincoln Logs Ltd.*, 971 F.2d at 734 (granting summary judgment on laches claim where opposer acted at its first opportunity to object to registration of applicant's mark); *Callaway Vineyard & Winery v. Endsley Capital Group, Inc.*, 63 USPQ.2d 1919, p.5 (TTAB 2002) (granting summary judgment on laches and acquiescence defenses where opposer promptly opposed registration of applicant's mark).

On this ground alone, Applicant's alleged affirmative defenses of laches and acquiescence (¶¶ 1 and 3) do not withstand scrutiny. As a result, judgment on the pleadings should be entered on these conclusory affirmative defenses or, alternatively, these affirmative defenses should be stricken from Applicant's Answer.

3. The Affirmative Defenses of Estoppel, Waiver and Unclean Hands Also Fail as a Matter of Law.

To support a claim of estoppel or waiver, an applicant must establish that (1) the opposer engaged in misleading conduct, which would lead the applicant to reasonably infer that rights would not be asserted against it, (2) the applicant relied upon the conduct, and (3) due to the reliance, the applicant would suffer material prejudice if the delayed assertion of such rights was permitted. *See Lincoln Logs Ltd.*, 971 F.2d at 734. Here, Applicant has failed to plead *any* factual basis for its estoppel or waiver defenses. Conspicuously absent from the Answer are any grounds supporting the claim that there were any interactions whatsoever between Opposer and Applicant, which would by definition be necessary for the affirmative defenses of estoppel or waiver to lie.

Under these circumstances, Applicant's estoppel or waiver defenses (¶¶ 2, 4 and 14) are at best inadequate and at worst disingenuous. *See Lincoln Logs Ltd.*, 971 F.2d at 734 (granting summary judgment on estoppel defense where no allegation made that opposer agreed not to oppose applicant's mark); *Nat'l Cable Television Ass'n,* 937 F.2d at 1582 (granting summary judgment against estoppel defense where party was unable to point to any affirmative act that could create an estoppel).

Likewise, an affirmative defense of unclean hands must include specific allegations of conduct that, if proven, would prevent the opposer from prevailing on its claim. *Midwest Plastic Fabricators, Inc. v. Underwriters Laboratories, Inc.*, 5 U.S.P.Q.2d 1067, 1071 (T.T.A.B. 1987) (holding that respondent could not amend pleading to add affirmative defense of unclean hands where it made only conclusory allegations). Again, Applicant fails to identify any conduct of Opposer, conveniently relying on a conclusory allegation that "... Opposer is barred by its own

unclean hands," (¶9), whatever that means. As Applicant has not alleged any wrongdoing of Opposer, this affirmative defense does not lie as well.

4. Fraud Is Not a Cognizable Affirmative Defense

Applicant's kitchen-sink fraud affirmative defenses (¶¶ 10 and 12) also do not suffice as a matter of law. Simple stated, under the facts alleged, fraud does not lie as an Affirmative Defense.

Rule 9(b) of the Federal Rules of Civil Procedure requires that fraud must be alleged with particularity — a mere conclusion of fraud is not enough. Applicant does not provide in its affirmative defenses *any* factual basis to support its claims; it does not even identify to which registration or application its purported affirmative defense pertains.

Here, Applicant in one defense refers to fraud based on some undefined lack of intent-to-use (¶12), but it does not allege the application at issue or how the lack of a *bona fide* intent to use existed or how it was fraudulent.. The other affirmative defense that invokes fraud also fails to do so with any specificity. *See* ¶ 10 (...Opposer's registration is invalid or *void ab initio* due to a fraudulent Statement of Use or other invalidity or cancellation."). Applicant does not specify any specific registration or the nature of the invalidity or cancellation, nor does it explain how this amounts to an affirmative defense. Instead, it tries to capture every contingency with any factual allegations or specificity. This does not comply with Rule 9(b).

As a matter of law, the affirmative defenses in paragraphs 10 and 12 do not pass muster.

B. On Their Face, Applicant's Affirmative Defenses Each Fail, Because Applicant Does Not Allege Cognizable, Supporting Facts

Under Federal Rule of Civil Procedure 8(b), a pleading must allege, in short and plain terms, a statement showing the pleader is entitled to relief. *See* TBMP §311.02(b). The general

rules of pleading set forth in Rule 8(b) apply to affirmative defenses. *Tokio Marine & Fire Insurance Co., Ltd. v. Kaisha,* 25 F. Supp.2d 1071, 1078 (C.D. Cal. 1997). All affirmative defenses must include sufficient detail to give the opposing party fair notice of the basis for each defense. *Cf. McDonnell Douglas Corp. v. National Data Corp.,* 228 U.S.P.Q. 45, 47 (T.T.A.B. 1985).

Applicant's bald affirmative defenses demonstrate the policy reasons for this requirement. Rather than including any allegations demonstrating the factual basis for each affirmative defense, Applicant merely provides conclusory allegations with no information or explanation whatsoever. By way of example, Applicant alleges that "[t]he market is crowded but it does not define what the so called "market" is or how it is crowded (¶6). Similarly, Applicant alleges that Opposer's undefined mark is weak because of "a registration by the Garage Band Network for "THE GARAGE BAND NETWORK," without more identification. Interestingly, no such registration appears to exist on the records of the United States Patent and Trademark Office, leaving Opposer guessing as to what it might be referencing.[1]

Such half-baked allegations (¶¶ 6 and 7) do not, and should not, meet the well-accepted pleading requirements.

C. A Motion to Suspend Is Proper So That the Issues Can Be Properly Framed for Discovery to Proceed Efficiently

Because the determination of this motion will define the issues for discovery and trial, resulting in a efficient proceeding for purposes of discovery and trial, this Opposition should be

[1] Notably, if Applicant's defense refers to Application Serial No. 77140774 that application has not registered, is an intent-to-use application, and has been suspended, based on one of Opposer's marks, rendering the defense even more incomprehensible. Thus, not only is the alleged defense factually deficient, it is entirely inaccurate.

suspended pending the Board's ruling on Opposer's Motion to Strike and/or Motion for Judgment on the Pleadings.

CONCLUSION

Judgment should be entered on each of the illegitimate affirmative defenses Applicant alleges as part of its Answer in this matter or, alternatively, the affirmative defenses should be stricken. In this way, the issues for discovery and trial can be appropriately defined for discovery and trial, resulting in a more expeditious proceeding. Thus, during the pendency of this Motion, Opposer respectfully requests the Board to suspend this proceeding. Ultimately, Opposer respectfully requests the Board to issue judgment on the pleadings as to the alleged affirmative defenses or, alternatively, to strike the affirmative defenses.

Dated: March 30, 2009

Respectfully submitted,

By: _____
Leigha E. Wilbur

Rochelle D. Alpert
Sharon R. Smith
Leigha E. Wilbur
Morgan, Lewis & Bockius LLP
One Market, Spear Street Tower
San Francisco, CA 94105
(415) 442-1326 (phone)
(415) 442-1001 (fax)
ralpert@morganlewis.com (email)

Attorneys for Opposer, iLike, Inc.

TRADEMARK
Docket No. 061442.9900

CERTIFICATE OF SERVICE

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is One Market, Spear Street Tower, San Francisco, CA 94105.

On March 30, 2009, I served the within documents:

MOTION FOR JUDGMENT ON THE PLEADINGS OR IN THE ALTERNATIVE MOTION TO STRIKE, AND MOTION TO SUSPEND

☒ (BY MAIL) I placed the sealed envelope(s) for collection and mailing by following the ordinary business practices of Morgan, Lewis & Bockius LLP, San Francisco, California. I am readily familiar with the firm's practice for collecting and processing of correspondence for mailing with the United States Postal Service, said practice being that, in the ordinary course of business, correspondence with postage fully prepaid is deposited with the United States Postal Service the same day as it is placed for collection.

☐ (BY OVERNIGHT DELIVERY) I placed the sealed envelope(s) or package(s) designated by the express service carrier for collection and overnight delivery by following the ordinary business practices of Morgan, Lewis & Bockius LLP, San Francisco, California. I am readily familiar with the firm's practice for collecting and processing of correspondence for overnight delivery, said practice being that, in the ordinary course of business, correspondence for overnight delivery is deposited with delivery fees paid or provided for at the carrier's express service offices for next-day delivery the same day as the correspondence is placed for collection.

☐ (BY FACSIMILE) I caused the document(s) listed above to be transmitted by facsimile to the fax number(s) set forth above on this date before **5:00 p.m.** The facsimile transmission(s) was reported as complete and without error.

DANA B. ROBINSON
DANA ROBINSON & ASSOCIATES
P.O. BOX 1416
LA JOLLA, CA 92038-1416

Executed on **March 30, 2009**, at San Francisco, California. I declare under penalty of perjury, under the laws of the United States of America, that the foregoing is true and correct.

Mike D. Lewis